THE MANITOBA HABITAT HERITAGE CORPORATION

ANNUAL REPORT 2004/2005

Manitoba

BUILDING PARTNERSHIPS FOR HABITAT CONSERVATION

The Manitoba Habitat Heritage Corporation is a non-profit Crown Corporation established in 1986 under The Manitoba Habitat Heritage Act and is responsible to the Manitoba Minister of Water Stewardship.

Its objective is to work in partnership with public and private agencies and organizations as well as individual landowners to conserve, restore, and enhance fish and wildlife habitat in Manitoba.

106-00340/

The Honourable Steve Ashton
Minister of Water Stewardship
Legislative Building
Winnipeg Manitoba

Dear Minister:

I am pleased to report that the Manitoba Habitat Heritage Corporation (MHHC) made gains on a number of program fronts in 2004/05.

MHHC continues to use conservation agreements (CAs) to provide long-term protection of wetlands in agricultural areas of Manitoba through its North American Waterfowl Management Plan activities. Wetlands are a key component of healthy watersheds, contributing to water quality and flood control as well as biological diversity. In an expanded use of CAs, MHHC is working with one conservation district to protect biologically diverse wooded habitat that also has high source water protection values.

MHHC provides coordination and field delivery services to the Riparian Health Initiative, a multi-partner, multi-interest approach to the sustainable management of riparian and associated lands. Riparian stewardship projects and education initiatives continued to find receptive audiences in the agricultural community even though the livestock industry was enduring its second year of unprecedented financial stress from Bovine Spongiform Encephalopathy (BSE).

Within the Habitat Stewardship Program for Species at Risk, MHHC delivers conservation agreements to protect remnant mixed-grass prairie, riparian areas and specific habitats of importance to species of concern. It also provides administrative and management support to several projects administered by Manitoba Conservation and non-government organizations.

The Manitoba Agro Woodlot Program, which MHHC began in 1992, delivers services that support sustainable management practices on private woodlots and the emerging micro-forestry industry in Agro Manitoba. In 2004/05 the program developed a new financing arrangement and began to be managed directly through the Manitoba Department of Agriculture, Food and Rural Initiatives. MHHC continues to provide administrative and banking functions.

Given their recognized experience and expertise, MHHC staff continue to fill consultative roles for other agencies and organizations respecting land management, securement and program delivery issues and opportunities.

MHHC's linkages to the Department of Water Stewardship were strengthened by its participation in departmental activities ranging from strategic planning to the development of approaches to watershed planning. On the land, MHHC will continue to work towards the conservation, restoration and enhancement of natural landscape features, like wetlands and riparian areas, that are key to the protection of our water and, ultimately, to the well-being of all Manitobans.

Yours truly,

John Whitaker
Chairperson,
The Manitoba Habitat Heritage Corporation

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photo: redhead

Mandate And Roles

The Manitoba Habitat Heritage Act of 1986 created The Manitoba Habitat Heritage Corporation (MHHC) with a mandate to conserve, restore and enhance fish and wildlife habitat. This is achieved through partnerships with private landowners, farm organizations, conservation groups, corporations and government agencies. With a focus on the agricultural region of Manitoba, MHHC promotes conservation practices that enhance wildlife habitat, encourage productive uses of the land and help to sustain farm family income.

MHHC conducts its activities under four major program areas:

North American Waterfowl Management Plan

MHHC coordinates implementation of the North American Waterfowl Management Plan (NAWMP) in Manitoba in partnership with other agencies and organizations. It also directly delivers NAWMP activities in partnership with Delta Waterfowl Foundation through the Potholes Plus Program.

Riparian Habitat Management

Riparian habitat, found along streambanks, lakeshores and wetlands, is rich in biodiversity and contributes to water quality. MHHC programs encourage landowners to adopt land use practices that protect this important habitat and sustain agricultural productivity, particularly for livestock.

Species At Risk

MHHC delivers voluntary habitat securement program for species at risk, with a focus on mixed-grass prairie and riparian habitats, as well as specific habitats of importance for species of concern.

Woodlot Management

The Manitoba Agro Woodlot Program assists landowners and small-scale operators with training, woodlot management and agro-forestry planning services that help them to sustain or enhance woodland wildlife habitat and diversify their farm income.

Administrative and field support are also provided to Manitoba's Critical Wildlife Habitat Program and, through it, to a number of projects funded through the federal Habitat Stewardship Program for Species at Risk.

MHHC Land Conservation Summary

The agricultural region of Manitoba has witnessed intensive development for crop and livestock production but it still contains important wildlife habitats. MHHC focuses its activities on this region, conserving habitat through cooperative agreements, easements, leases, and, in some cases, direct ownership. In all cases, the objective is habitat conservation that benefits a wide array of plants, birds, land animals, fish and other aquatic animals.

Table 1 outlines MHHC's land conservation summary. It includes purchased and donated lands, conservation agreements, leases and cooperative management agreements with landowners. It has close to 2,700 agreements with landowners, conservation agencies and other organizations. As of March 31, 2005, MHHC's cumulative activities had conserved or influenced 175,000 acres of habitat.

Table 1: MHHC Land Conservation Summary to March 31, 2005

	# sites	# acres
Acquired and Donated Lands		
North American Waterfowl Management Plan	31	7,474
Critical Wildlife Habitat Program[1]	22	4,217
Lands held in title by MHHC	*53*	*11,691*
Conservation Agreements		
Potholes Plus	130	18,308
Habitat Stewardship Program	76	15,056
Donated Agreements	19	1,952
Conservation Agreements held by MHHC	*225*	*35,316*
Leased Lands (cumulative acreage)[2]		
North American Waterfowl Management Plan	204	19,137
Critical Wildlife Habitat Program[1]	121	18,501
Leases held by MHHC	*325*	*37,638*
Cooperative Agreements		
North American Waterfowl Management Plan	683	8,146
Riparian Stewardship Program	181	47,794
Manitoba Agro Woodlot Program	1,207	33,920
Cooperative Agreements held by MHHC	*2,071*	*89,560*
MHHC portfolio to March 31, 2005	**2,674**	**174,505**

[1] *Includes lands that are held by MHHC in trust on behalf of CWHP partners*
[2] *Includes current and lapsed leases and cooperative agreements*

Board of Directors

The 1986 Manitoba Habitat Heritage Act requires MHHC to be governed by a Board of Directors responsible to the Manitoba Minister of Water Stewardship.

At March 31, 2005 the MHHC Board consisted of 11 members and six *ex officio* members:

David Wotton, Chairperson	Manitoba Conservation
John Whitaker, Vice Chair	Citizen Representative
Bob Grant	Ducks Unlimited Canada
Murray Dubowits	Citizen Representative
Glenn Keilback	Manitoba Conservation Districts Association
Michael Kingdon	Keystone Agricultural Producers
Constance Menzies	Citizen Representative
Albert Nabe	Association of Manitoba Municipalities
Patrick Rakowski	Canadian Wildlife Service
Jonathan Scarth	Delta Waterfowl Foundation
Barry Todd	Manitoba Agriculture, Food and Rural Initiatives

Ex officio Members

Deanna Dixon	Prairie Habitat Joint Venture
Jack Dubois	Manitoba Conservation
Mike Moore	Nature Conservancy of Canada
Lawrie Hilton	Manitoba Wildlife Federation
Jim Tokarchuk	Prairie Farm Rehabilitation Administration
Shirley Conibear	The Manitoba Cattle Producers Association

The MHHC Board conducted three meetings in 2004/05 as well as one field tour of MHHC projects.

photo, facing page: blue-winged teal brood

North American Waterfowl Management Plan

The North American Waterfowl Management Plan (NAWMP) is a continental conservation partnership that operates in Canada, the United States and Mexico. In Manitoba, Plan activities are coordinated by MHHC in cooperation with several funding partners and public and private program delivery partners. MHHC also provides field delivery, communication, reporting and evaluation services to the partnership.

NAWMP activities in Manitoba target the "Prairie Pothole" region of southwestern Manitoba with an emphasis on conservation and enhancement of wetland and associated habitats. The aggregate NAWMP program, built on sound biological principles and the best science available, is designed to influence large areas of the landscape, rather than concentrating on any one species or site. Potholes Plus is an apt name for the NAWMP program that MHHC delivers in conjunction with the Delta Waterfowl Foundation.

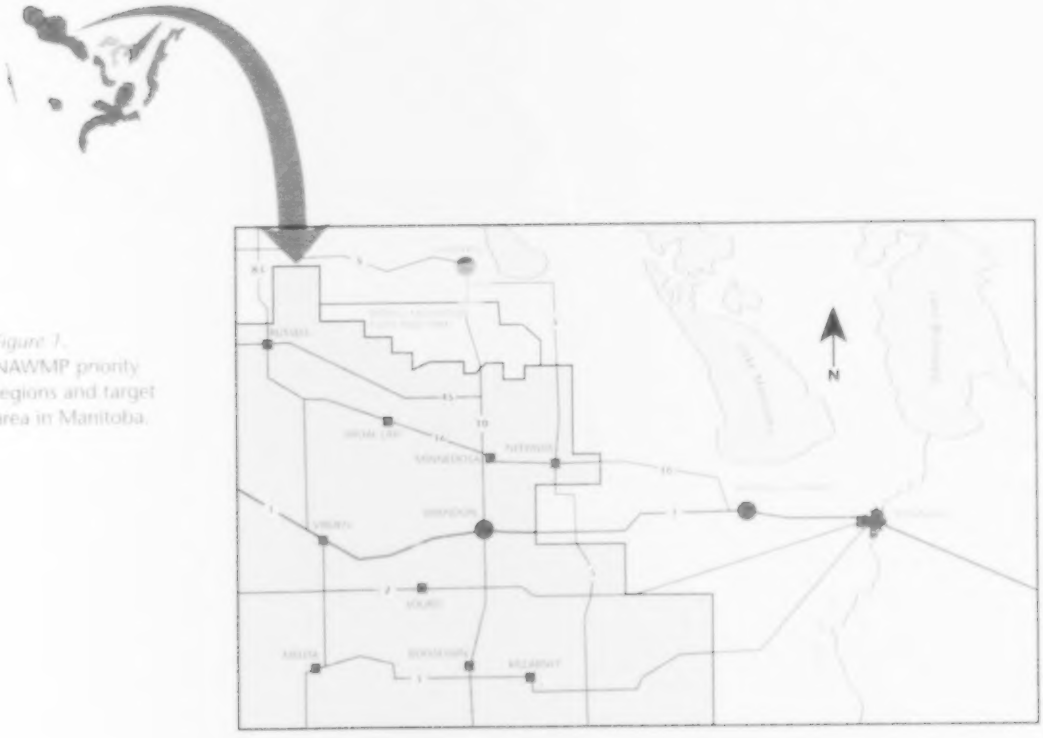


Figure 1.
NAWMP priority regions and target area in Manitoba.

The NAWMP has been established by a formal written agreement between the governments of Canada, the United States and Mexico. In simple terms, its success can be summarized in three ways: 1) longevity - this in NAWMP's 18th year; 2) partnerships - thousands of partners across the continent; and 3) habitat gains - millions of acres conserved and influenced across North America.

The North American Great Plains region contains the continent's most important waterfowl habitats, providing nesting areas and migration stopover sites for much of the duck population. The prairies of southern Alberta, Saskatchewan and Manitoba are recognized as one of the highest priority regions for waterfowl conservation. Here, NAWMP activities are coordinated under the Prairie Habitat Joint Venture. Figure 1 shows the prairie pothole region of southwestern Manitoba, the main area of the province in which NAWMP activities are carried out.

Manitoba accomplishments link to broader continental efforts. Across North America NAWMP partners influence habitats used by waterfowl in all seasons. Breeding grounds, migration routes and wintering areas are all included in conservation strategies.

NAWMP success in Manitoba is demonstrated by the thousands of acres that have been affected by its programs, some through long-term conservation agreements and others by the adoption of conservation farming activities. This has been made possible by the investment of $104.5 million in conservation activities in this province, 86 per cent of which has been contributed by public and private sources from outside the province.

Priority habitats are concentrated on privately-owned farmland. In response, NAWMP partners offer voluntary conservation options that provide landowners with alternative income options. NAWMP success continues to rest on positive relationships with individual landowners and community-based organizations, including local farm groups, conservation districts, wildlife associations and rural municipalities.

A broad-based partnership is at the core of NAWMP, reflecting agricultural, conservation and rural landscape interests. MHHC partners in Manitoba include:

Agriculture Canada (Prairie Farm Rehabilitation Administration)
Delta Waterfowl Foundation
Ducks Unlimited Canada
Environment Canada (Canadian Wildlife Service)
Manitoba Agriculture, Food and Rural Initiatives
Manitoba Conservation
Manitoba Water Stewardship
Keystone Agricultural Producers
Association of Manitoba Municipalities
Manitoba Cattle Producers Association
Conservation Districts
Nature Conservancy of Canada

A Manitoba NAWMP Overview

MHHC tracks land areas that are secured (see definition below) by NAWMP partners as well as those influenced (see definition below) by conservation land use activities. In 2004/05, NAWMP partners added another 24,165 acres of secured wildlife habitat lands, bringing the total to 313,561 acres, which includes current as well as lapsed project sites accrued since NAWMP inception. The total area of land influenced by all NAWMP activities rose to 1,554,151 acres.

The NAWMP influences a broad range of habitat types in Manitoba. These include:

- Wetlands, ranging from tiny prairie potholes to large staging marshes
- Wetlands previously drained, that have been restored
- New wetlands created to mitigate for drained wetlands
- Upland habitats such as grasslands, shrublands and aspen parklands
- Unbroken marginal lands converted to permanent grass and forage cover
- Rangelands improved for both livestock and wildlife through managed grazing and livestock watering practices
- Farmlands managed to produce wildlife habitat
- Conservation tillage lands converted to zero tillage and winter cereal cropping

These habitats provide breeding areas for waterfowl and support a great diversity of other bird species as well as mammals, reptiles and amphibians.

MHHC also delivers field services, communications, evaluation and planning activities under the NAWMP. These services were supported in 2004/05 with funding from three major sources:

- Manitoba Conservation
- Environment Canada (Canadian Wildlife Service)
- U.S. North American Wetlands Conservation Act (NAWCA) through the Delta Waterfowl Foundation

Financial and in-kind support was also received from a number of other partners.

Secured: Any habitat conserved through an agreement of seven years or more. May include lease, purchase, long-term management agreement or conservation agreement.

Influenced: Any land that is owned by individuals who have been encouraged to use conservation farming practices. Table 2 references these lands as "Agricultural Demonstrations."

Table 2: NAWMP Program Accomplishments Summary (Acres)*

	Green Acres	DU Program – NAWMP	Nature Conservancy of Canada	Potholes Plus	HELP**	NAWMP Total
Secured 2004/05	1,116	14,694	1,749	6,606		24,165
Before 2004/05	36,009	209,086	13,999	19,467	10,835	289,396
Total Secured	**37,125**	**223,780**	**15,748**	**26,073**	**10,835**	**313,561**
Agricultural Demonstrations 2004/05		242,630				242,630
Before 2004/05	20,580	973,853		3,527		997,960
Total Demonstrations	**20,580**	**1,216,483**		**3,527**		**1,240,590**
Program Totals	**57,705**	**1,440,263**	**15,748**	**29,600**	**10,835**	**1,554,151**

** Habitat Enhancement Land Use Project*

** Includes lands under agreement as well as previously secured lands where agreements have lapsed.*

Table 3: NAWMP Financial Contributions

Agency	1986 to March 31, 2005	Percentage
Manitoba Sources	**$14,789,045**	**14.2**
Other Canadian Sources		
Canadian Wildlife Service	$13,326,518	12.8
Wildlife Habitat Canada	885,300	0.8
Ducks Unlimited Canada	2,545,000	2.4
Total Other Canadian Sources	**$16,756,818**	**16.0**
Total Canadian Sources	**$31,545,863**	**30.2**
US Sources		
Delta Waterfowl Foundation	$4,456,136	4.3
Ducks Unlimited, Inc.	26,594,640	25.5
US Fish and Wildlife Service	29,935,961	28.7
US States	9,391,751	9.0
Nature Conservancy of Canada	2,551,344	2.4
Total US Sources	**$72,929,832**	**69.8**
Total Expenditures	**$104,475,696**	**100.0**

MHHC NAWMP Activities

Potholes Plus and Green Acres Programs

A number of NAWMP options for habitat conservation are delivered by MHHC to Manitoba landowners. For many years its activities were carried out through the Green Acres Program, but most of MHHC's NAWMP activities in the last six years have been delivered in partnership with the Delta Waterfowl Foundation (DWF) through the Potholes Plus Program. Options for landowners include conservation agreement (easement), land donation, purchase and cooperative land management activities.

Potholes Plus

Conservation Agreements: Conservation agreements (CAs) have been available since 1998 when the government of Manitoba proclaimed the Conservation agreements Act. CAs enable recognized conservation agencies and organizations to enter into agreements with landowners to protect habitat on private lands. With many MHHC CAs, the land may be farmed as long as the natural values are protected. Essentially an easement, a conservation agreement is placed on the land title and remains in effect for the life of the agreement, even with a transfer of ownership. To date, all MHHC agreements have been perpetual.

Under the Potholes Plus Program, MHHC holds all acquired CAs. A total of 44 CAs covering 6,606 acres were acquired in 2004/05, bringing the total to 130 CAs, totaling 18,308 acres, secured through Potholes Plus since the inception of the program. Nine additional CAs were in various stages of processing at year end.

Conservation Agreement Baseline Inventory and Monitoring: MHHC continued to complete baseline inventories of secured CAs. A two-person field team conducted landowner contacts, data collection and completed reports on 45 projects by the end of the year. The inventory collects basic biological information and develops a Geographic Information Systems (GIS) reference for all habitat elements in a CA. Baseline inventories are an ongoing activity for MHHC.

MHHC conducts annual monitoring of all CAs with a combination of ground and aerial inspections. This year only one CA violation was noted and was dealt with expeditiously. MHHC staff also attempted to meet with every landowner that has an MHHC CA on their property.

MHHC also completed survey of CA landowners to determine attitudes towards MHHC, the CA process and CAs in general. Results were positive (see feature story).

Green Acres

Under the Green Acres Program MHHC had previously acquired 28 parcels of land, totaling 6,517 acres, through purchase or donation. In 2004/05 one 160 acre property was purchased (see feature story).

Two donated properties were also received in 2004/05. The 640 acre Cullen Property, near Virden, was once a Green Acres lease that the landowners subsequently donated to MHHC. The 160 acre Taylor property is somewhat unique in that it is high-value farmland in the Portage Plains, but which also has some woodland habitat that the family wished to see protected in perpetuity.

In 2004/05 MHHC received one donated conservation agreement for private land habitat totaling 156 acres. MHHC's donated CAs cover a variety of wetland, woodland, riparian and other native habitats across the province. Donations to date include 19 CAs, securing 1,952 habitat acres and 13 donations of property, totaling 3,052 acres.

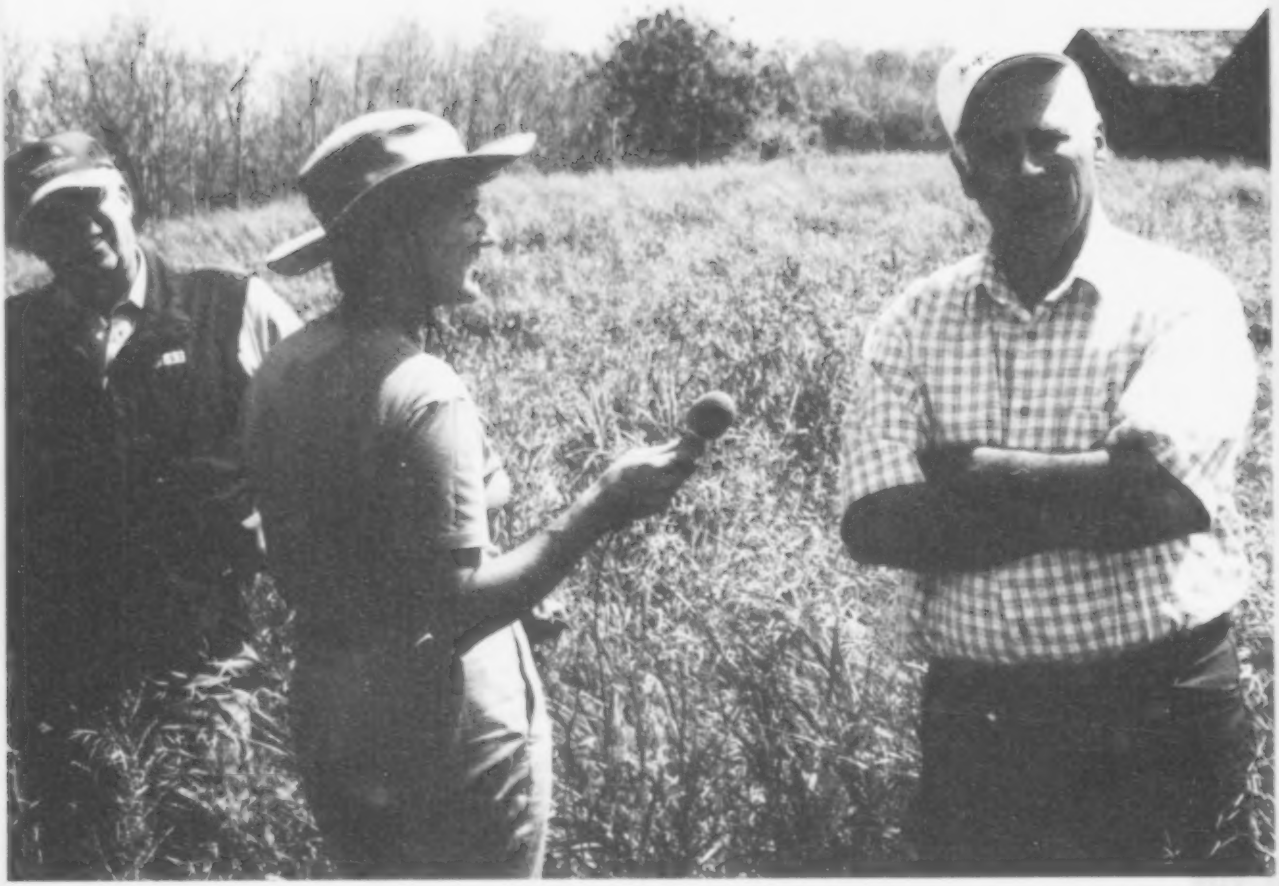
So, What Is a Conservation Agreement Anyways?

This conservation tool has been available in Manitoba since the Conservation Agreements Act was proclaimed in 1998 and MHHC has been making good use of it ever since. MHHC has completed 225 conservation agreements (CAs), permanently protecting habitat on 35,316 acres of land. In 2004/05 its CA inventory increased by 14,511 acres. To March 31, 2005, $2.48 million has flowed to farmers and other landowners through CA purchases.

CAs are easements that can be used for long-term habitat conservation on private land without the ownership having to change hands. Prior to CAs, long-term conservation of habitat was achieved mainly by land purchase.

With a CA in place, a landowner continues to own the land, control access, pay property taxes and can generally farm as before. CAs generally do not apply to an entire property, but only those natural areas – wetlands, woodlands, and grasslands - that are outlined in the agreement. This flexibility ensures that productive agricultural land will continue to be farmed while natural areas can be conserved. An important feature of CAs is that they are registered on the land title and remain in effect even if the land changes hands. All MHHC CAs have been perpetual.

Most MHHC CAs have been purchased for wetland and associated habitats with United States funding provided to the Delta Waterfowl Foundation (MHHC's Potholes Plus Program Partner). MHHC has also received Canadian federal support from the Habitat Stewardship Program for Species at Risk for CAs on riparian and native grassland habitats. As well, 19 landowners have donated CAs and received a tax receipt for the value of the donation.



Conservation Agreements Well Received By Participants

Conservation agreements (CAs), which allow conservation groups to provide long-term habitat on private land, have been available in Manitoba since 1998. With over 200 CAs now in place, MHHC conducted its first survey of participating landowners. Response to the mail-out survey, at 58%, was high and yielded interesting information.

Some of the survey highlights:

- More landowners were motivated by habitat conservation motives than financial gain from the CA payment
- 95% rated MHHC field representative services from satisfactory to excellent
- 89% rated CA payments as adequate or better
- 87% thought the frequency of MHHC's CA monitoring to be about right
- 94% reported no difficulties in their ability to farm with the CA in place
- 92% would still sign a CA with MHHC
- 88% would recommend CAs to the friends and neighbours

Of the 204 habitat leases (19,137 acres secured) that were signed in prior years, 14 leases remained active in 2004/05. With MHHC's emphasis on conservation agreements, no leases were signed this year.

Land Management: MHHC's portfolio of acquired lands requires ongoing monitoring and management. In addition to site inspections, 25 parcels, totaling 5,800 acres, received some management treatment in 2004/05. As much as possible, that land management is conducted with the cooperation of neighbouring agricultural producers. Specific activities included:

- 660 acres of hay leases
- 2,443 acres of grazing management systems for grassland management purposes
- 40 acres of land where weed control was conducted
- 30 acres of permanent cover re-seeded

Waterfowl Nest Tunnel Program: MHHC has established and maintains close to 1,700 nesting tunnels across southern Manitoba. That includes 125 existing Delta Waterfowl Foundation structures that MHHC is now managing and an additional 67 structures that MHHC erected through the same agreement with DWF.

Waterfowl nesting success, which can be lower than 10% for ducks nesting on the ground, will reach as high as 90% for mallards that nest in tunnels. As well, the 7,200 acres of wetlands secured because of the nest tunnel program benefits over 100 other wildlife species.

Tunnel maintenance includes an inspection prior to the nesting season, when the tunnels are lined with new hay bedding and other routine maintenance is completed.

Special NAWMP Projects

Highways Mitigation Project. The expected loss of wetland habitat arising from the twinning of the Trans Canada Highway west of Elkhorn Manitoba is being mitigated through a special agreement between two Manitoba government departments and MHHC (see feature story). MHHC's role is to coordinate and deliver the conservation and restoration of wetlands and associated habitat that will be paid for from a fund dedicated to that purpose.

MHHC will secure the perpetual CAs for this project. It has also established a partnership with Ducks Unlimited Canada, which will undertake all associated wetland restoration activities. At year end two CAs were in progress under this project.

Turtle Mountain Conservation District Partnership. MHHC entered into a partnership with the Turtle Mountain Conservation District (TMCD) late in 2004/05 to deliver CAs on watershed-sensitive lands. With the expansion of Oriented Strand Board plants in Manitoba, Northwestern Ontario and Minnesota, the mainly-wooded slopes of the Turtle Mountain escarpment are facing increasing harvest pressure. The agreement targets TMCD funds to forested lands with a priority for watershed and source water protection. One CA was in progress at year-end. This agreement will carry forward into the next fiscal year.

Agricultural Policy Framework: With a new federal-provincial arrangement for agricultural policy across Canada now in place, MHHC staff have participated in a number of federal-provincial committees and events

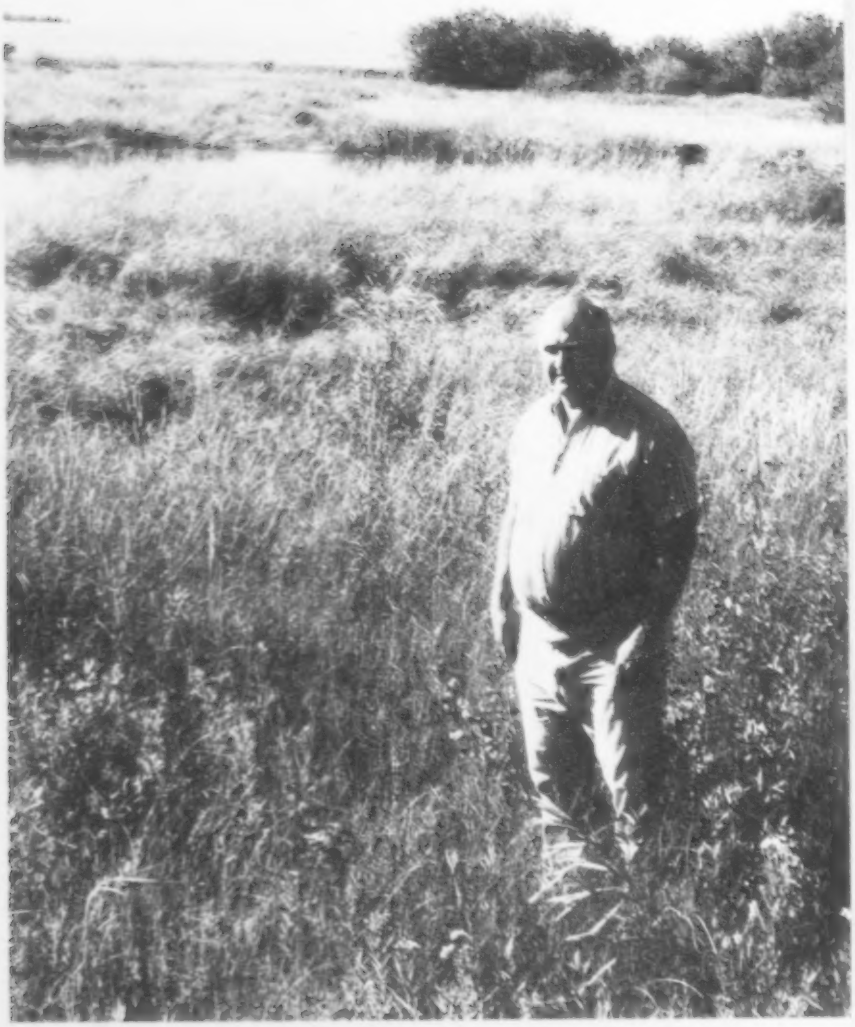
(cont. pg 16)

Conservation Programs Help Farm Family Achieve Conservation Vision

Protecting habitat is a family affair for the Sitko family. They have three Potholes Plus easements on land that has been in the family for four generations.

Leonard Sitko decided to protect wetlands with purchased easements. "There's just too much drainage going on. People have drained all their potholes and there's no groundwater recharge anymore," he said.

"Being involved with the Conservation District, I've seen other people interested and I thought we've got to get started protecting habitat," said Sitko, who is also chair of the Upper Assiniboine River Conservation District.



Leonard Sitko

Roy Bullion, the area MHHC field representative, said, "The Sitko family conservation projects show how conservation and agriculture can complement each other and benefit the landscape."

A farm family's vision and a little help from conservation groups are helping to make a better landscape for us all.

Adapted from a story in the Manitoba Cooperator

Conservation Agencies and Industry Partner Conserve Habitat

A quarter section of woods and wetlands in the Minnedosa area has been secured by MHHC to balance oil exploration disturbances in a provincial Wildlife Management Area (WMA).

MHHC field manager, Kevin Teneycke, said this acquisition started more than a decade ago when Home Oil finalized an oil extraction plan on a portion of the Pierson WMA in the southwest. "To my knowledge this is the first such mitigation project with an oil company in Manitoba," he said.

According to Tom Moran, a resource planner with Manitoba Conservation, "The plan called for the acquisition of additional habitat to offset the impact on the WMA."

While the oil interests in the WMA changed hands, the new owners, Canadian Natural Resources Limited, continued to honour the agreement. "Fortunately, we were able to pull this together with MHHC to complete the deal," said Moran.

Keeping that property as wildlife habitat is the best use for that piece, said Roy Farley, the seller who farmed the property since 1946. "This is what we call the Pothole Country of Minnedosa," he said. (Not surprisingly, the group encountered a duck nest on the nearby home site during the project dedication event.) About 80 percent has been kept as woods and wetlands and the rest is hay and grass.

Farley has farmed all his life, but he was always careful to leave the habitat intact, seeing no need for large scale clearing or draining. "What's the use?" he said, "You can't grow grain in a slough."

"This is the kind of land that habitat agencies should buy," one of Farley's neighbours commented. Marginal land like this is best suited as habitat.

The hay and grass will continue to be harvested by one of the neighbors.

Adapted from a story in the Minnedosa Tribune

photo left: duck nest in Farley yard
photo right: Farley family

Agreement Overcomes Highway Expansion Impacts

There will be no net loss of habitat because of the highway twinning project taking place along the Trans Canada Highway west of Elkhorn. Funds are set aside for habitat restoration and protection.

Federal environmental licensing requires that there will be "no net loss of habitat" resulting from construction projects. An agreement between Manitoba Transportation and Government Services and Manitoba Conservation, with MHHC as the delivery agency, ensures that outcome.

"These funds can only be used for future funding of specific habitat preservation, restoration or development projects," said Joe Romeo of Manitoba Transportation and Government Services.

"Using a formula established between the partners, $304,000 was transferred to the fund," said Kevin Teneycke, MHHC field manager. "We can target wetlands for protection or restoration that best compensate for the loss of habitat." The current plan is to restore 250 acres of previously drained habitat and conserve an additional 1,000 acres. All areas will be secured with perpetual conservation agreements.

"Even though the agencies involved have different mandates (conservation and transportation), implementation of the habitat compensation program shows that we can work together in an atmosphere of mutual understanding and trust to achieve our objectives," said Tom Moran of Manitoba Conservation.

Double Donation

Aubert Comte

Protecting habitat with a conservation agreement (CA) is a good idea, according to a Notre Dame de Lourdes farmer who just finished donating a second agreement on his farm.

"There are lots of people who have land that looks like it makes sense to clear," said the CA donor, Aubert Comte. "After the land is cleared, it's too late to go back; you can't change your mind."

Aubert and his wife Barbara operate a grain farm on a picturesque farm with rolling hills, bluffs and ravines. But some of the land is marginal and erosion prone and not well suited for clearing and continuous cropping.

He decided it would be better to protect the habitat on his land so it will be secure in the future, so he donated a CA on the home quarter.

A while after he donated his first CA, Comte thought it over and decided on a second donated CA as well, covering his grandfather's original homestead. "I was satisfied when the first one was done so I said 'Let's do it'," he explained.

Comte recommends CAs to others as a way of ensuring long-term protection of the habitat on their land while also preventing soil erosion. "I think they should considerate it," he suggests.

In certain areas, landowners can sell the conservation interests and receive a cash payment. Others, like Comte, received a tax benefit by donating the conservation interest instead.

Adapted from an article in the Ag Review, Killarney

that are refining agricultural environmental policies and programs for the province through the APF. Related to the APF is development of a delivery mechanism for environmental farm plans, which is being implemented by the Farm Stewardship Association of Manitoba. MHHC has board and *ex officio* positions with the organization.

Regional and National NAWMP Activities: As the NAWMP coordinating body in Manitoba, MHHC participates in a number of NAWMP committees and activities at the regional and national levels. MHHC staff participate in the Prairie Habitat Joint Venture Advisory Board and its Waterfowl Working Group, Communications and Policy committees.

At the national level, MHHC has a seat at the NABCI/NAWCC Council and chaired the North American Wetlands Conservation Act Funding Task Force. MHHC also participates in the NAWCA Proposal Writers Working Group.

At the international level, MHHC sits on the NAWMP Plan Committee and participates in the NAWMP Continental Assessment Task Force.

NAWMP Communications

MHHC produced and distributed 11 news releases related to its NAWMP program that ran in a minimum of 56 publication issues. Most highlighted specific conservation agreement or land donation projects. Uptake of these articles in the rural and agricultural media continues to be high.

MHHC also hosted field tours of projects for its Board of Directors, program partners and funding agencies. Staff also made presentations at meetings and workshops, most of which targeted agricultural producers as well as other landscape influencers, such as rural municipal planners. MHHC staffed displays at two province-wide agricultural venues and a number of local events.

NAWMP Partner Activities

Ducks Unlimited, NAWMP Program. Ducks Unlimited delivers a range of NAWMP program options, including land lease and purchase, conservation agreements and a range of conservation farming options including zero tillage, permanent forage cover establishment, managed grazing and fall-seeded crops. Of the latter, winter wheat cropping is showing great promise as an alternative crop that also provides tremendous benefits to ground-nesting waterfowl. DU has responded with an initiative designed to increase use of this cropping option by Manitoba farmers.

In 2004/05 a total of 14,694 acres were secured by long-term agreements and an additional 209,086 acres were influenced by conservation farming demonstration initiatives.

The Nature Conservancy of Canada has become a NAWMP program delivery partner, focusing its efforts on wetland and associated habitats in the tall-grass prairie region of southeastern Manitoba and on aspen parkland habitats in western Manitoba. In 2004/05 it secured 1,749 acres (11 sites) of habitat with funding support from U.S. NAWMP sources.

Riparian Health Initiative

Riparian areas—streambanks and lakeshores—are key habitat areas in Agro Manitoba. In addition to their contributions to biological diversity, the trees and vegetation growing in riparian areas help during high water stages by slowing down floodwaters and soaking up run-off. They also act as filters by trapping sediments and pollutants before they enter the water.

The Riparian Health Initiative involves a large network of agricultural industry and conservation organizations across Manitoba. It has helped to strengthen riparian stewardship programs for producers and improve coordination of other partner activities across Agro Manitoba. New coordinating structures have been established at the provincial and regional levels. Funding from the Manitoba Rural Adaptation Council (MRAC) and other partners has allowed MHHC to provide secretariat services to these coordination bodies and deliver stewardship programs across Agro Manitoba.

Program Overview

The Riparian Health Initiative (RHI) was launched in 2001 to enhance collaborative approaches for riparian area management activities across Agro Manitoba, with an emphasis on increasing involvement from agricultural producers. Agricultural and conservation groups came together to improve coordination of programs and activities that support riparian area conservation and enhancement. Their collective efforts have helped to create a more efficient and dynamic network for stewardship, education, technology transfer, data collection and evaluation activities for riparian and associated lands.

As the RHI concept was being developed, a provincial task force focusing on the livestock industry recommended that, "The Manitoba Cattle Producers Association (MCPA) should take the lead in developing a strategic initiative for riparian management in Manitoba... through partnerships with groups such as MHHC, DU, Conservation Districts, PFRA, Manitoba Agriculture and Food and Manitoba Conservation." Federal funding, provided by Agriculture and Agri-Food Canada and delivered through the Manitoba Rural Adaptation Council (MRAC), allowed the partners to fulfill this recommendation by launching the RHI.

The Riparian Health Council (RHC) was created to promote coordinated programs and activities for riparian and associated lands in Agro Manitoba. Its membership includes producer groups, government agencies and non-government conservation organizations and is chaired by MCPA. Five Regional Working Groups, made up of field delivery personnel from program delivery agencies, function as a focal point for communication and coordination at the local level. They help improve the efficiency and effectiveness of stewardship activities, information and education programs for interested landowners and evaluation activities focusing on riparian issues and program effectiveness.

MRAC also provided funding for the Riparian Stewardship Program that is focused on supporting riparian enhancement projects with individual producers. The funding provides interested landowners with financial incentives to implement grazing practices that maintain riparian ecosystems and water quality as well as improve overall pasture productivity. A buffer strip option assists producers with establishment of permanent forage cover on cultivated lands along waterways. Landowners can receive a maximum contribution of $2,500 per project that must be matched by cash or in-kind contributions. Additional financial support for stewardship projects has been provided by Ducks Unlimited and seven Conservation Districts.

Stewardship program delivery is shared among field staff of MHHC, Manitoba Agriculture, Food and Rural Initiatives, PFRA and two Conservation Districts. From these organizations, 30 field personnel have been available to deliver stewardship projects to producers.

Cooperative approaches, focusing on communication, extension and stewardship support, are the fundamental building blocks of the RHI. Complementary MRAC-supported activities undertaken by PFRA (see feature story) will provide additional means for producers and land managers to access information and tools to support management of riparian and associated lands.

Coordination Activities:

Two meetings and one field tour of stewardship projects were completed by the RHC in 2004/05. The RHC has helped to shape the overall direction of extension and stewardship programs and has become an important sounding board for new riparian initiatives.

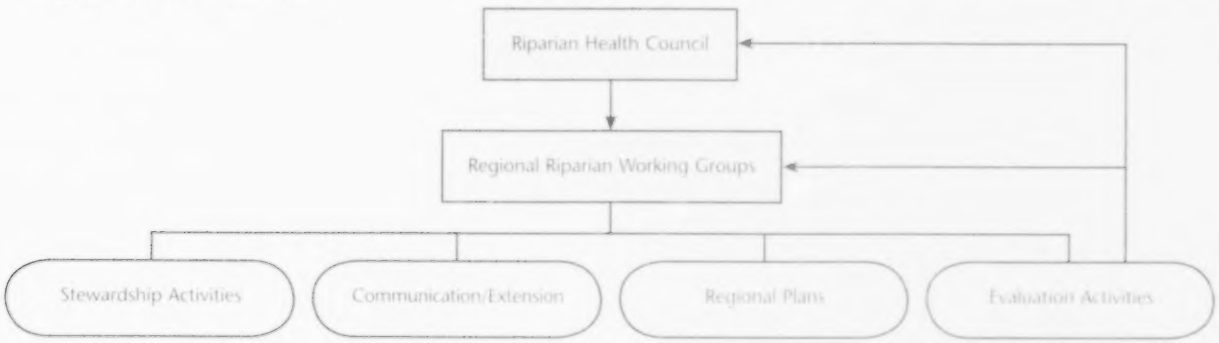
A total of five Regional Working Group (RWG) meetings were held this year. RWG meetings helped coordinate and priorize delivery of riparian projects and provided forums for discussion of local riparian issues. These meeting also were a valuable forum to expand the reach of the Managing the Water's Edge extension program (see below). Three field tours were held for RWB field delivery personnel and landowners.

Managing the Water's Edge: RHC partners and MHHC's riparian program coordinator launched *Managing the Water's Edge (MWE)*, a riparian area extension initiative. The initiative is built on a Manitoba-based riparian area assessment system as well as trained professionals capable of delivering riparian management workshops. There were 16 presentations made this year to 266 individuals. Given producers' preoccupation with the catastrophic economic impact of Bovine Spongiform Encephalopathy (BSE) on the livestock industry, workshops were delivered primarily to field delivery personnel, the intent being to increase the knowledge base and consistency of riparian messages that are being delivered by extension personnel to producers. Financial support for MWE came from Agriculture and Agri-Food Canada through the Greencover Technical Assistance component of the Agricultural Policy Framework and from the Stewardship in Action Fund of Fisheries and Oceans Canada.

Program partners also continued to develop a comprehensive grazing guidelines document for riparian and

(cont. pg 23)

Riparian Health Initiative



Riparian Health Council Participants

The Manitoba Cattle Producers Association (Chair)
Keystone Agricultural Producers
Manitoba Agriculture, Food and Rural Initiatives
Prairie Farm Rehabilitation Administration
Manitoba Conservation
Manitoba Conservation Districts
The Manitoba Habitat Heritage Corporation (Secretariat)
Manitoba Forage Council
Manitoba Department of Finance
Fisheries and Oceans Canada
Environment Canada
Ducks Unlimited Canada
Nature Conservancy of Canada
Manitoba Water Stewardship

(As of April/05)

Coordination Activities:

Two meetings and one field tour of stewardship projects were completed in FY 2001 to 2002. The SRC has helped to shape the overall direction of extension and stewardship programs and has become an important sounding board for new program initiatives.

A total of five Regional Working Group (RWG) meetings were held this year. RWG members helped coordinate and prioritize delivery of upstream projects and provided forums for discussion of local riparian issues. These meetings also were a valuable forum to expand the reach of the Managing the Water's Edge extension program (see below). Three field tours were held for RWG field delivery personnel and landowners.

Managing the Water's Edge: RHC partners and MWE extension program coordinator identified *Managing the*

Riparian Health Initiative

Riparian Health Council Participants

The Manitoba Cattle Producers Association (Chair)
Keystone Agricultural Producers
Manitoba Agriculture, Food and Rural Initiatives
Prairie Farm Rehabilitation Administration
Manitoba Conservation
Manitoba Conservation Districts
The Manitoba Habitat Heritage Corporation (Secretariat)

Brookdale Farmer Moves to the Front of the Class

When Wes Pankratz began to do a little contract work for MHHC about a decade ago, no one expected that it would evolve into a central role in riparian education.

Pankratz, who is also a Whitemud Watershed Conservation District board member, divides his time between a 1,000 acre farm and part-time employment with MHHC. As he took on more responsibilities for delivering conservation programming, Pankratz adopted more conservation farming practices on his own farm. Managed grazing and watering techniques were high on his list.

Recently, MHHC had Pankratz take Managing the Water's Edge (MWE) facilitator training, along with people from seven agencies and organizations. With riparian program delivery experience and, more importantly, riparian management experience from his own farm to draw from, Pankratz's workshop presentations resonated with landowners.

(One of the more memorable lines from a Pankratz presentation relates to progress on his farm. At one point he set up a rotational grazing system but it looked like his stocking rates were too high. He quipped: "I was beating the hell out of my pastures, but at least I was doing it rotationally!")

MHHC now uses his available time exclusively for riparian activities, especially MWE workshops. What could be better than having a knowledgeable producer share his experiences with his peers?

Watershed Residents Look to MWE for Information

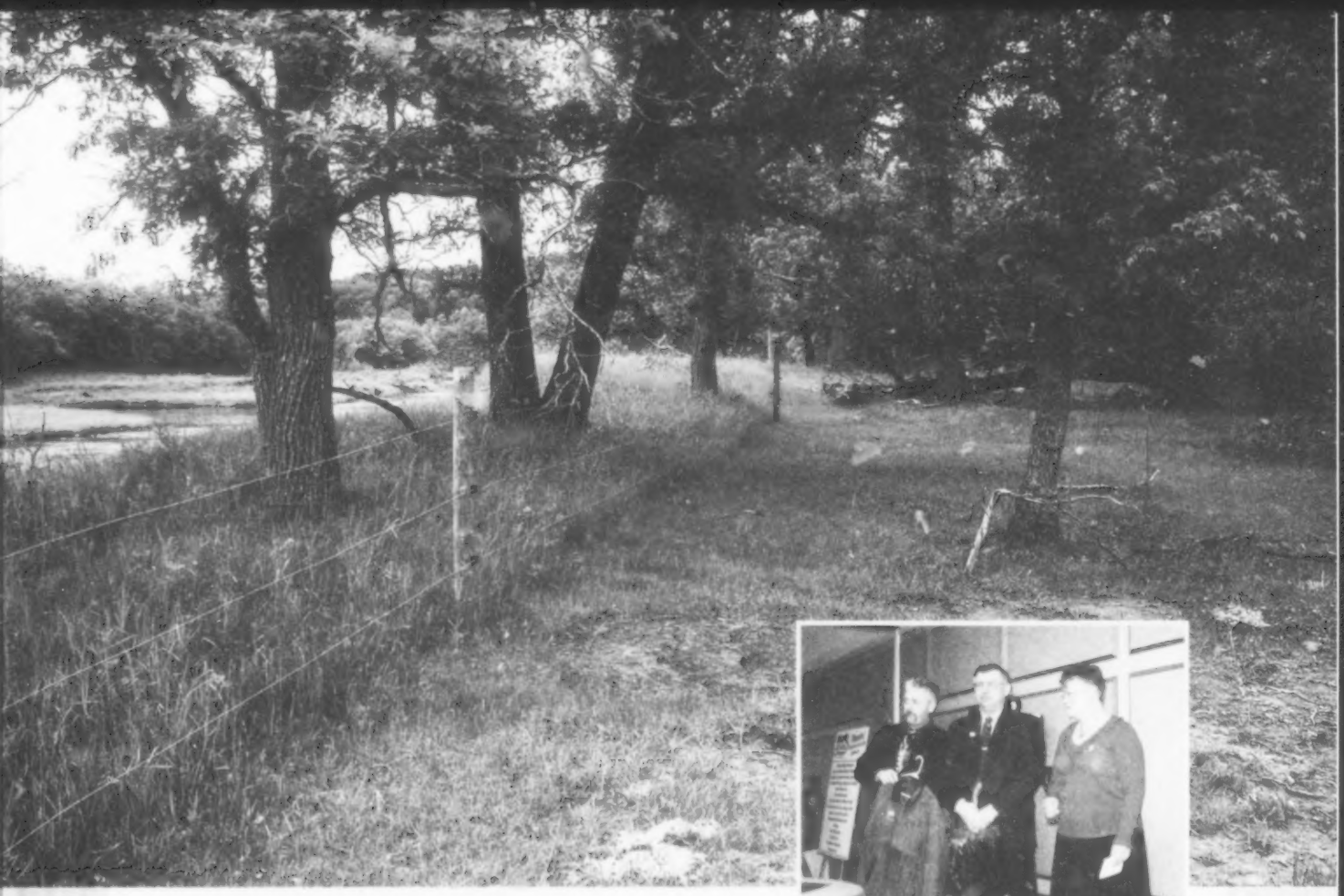
Water quality has been a significant issue for the southwestern Manitoba community of Pilot Mound, which depends on the Goudney Reservior for its drinking water.

While there has been the inevitable rancor and finger-pointing over water quality problems, the Goudney Reservoir Steering Committee took a step back to seek more information. Among other things, they sought a MWE workshop to better understand the role and importance of healthy, functioning riparian areas.

"The Steering Committee saw riparian management as part of the solution," said Melanie Dubois, MHHC's riparian program coordinator. "We were able to provide useful information to support local decision-making," she said.

Dubois emphasized the importance of beginning the workshop process with a request from the community. "Long-term landscape change can only happen if there is a desire from local communities," she noted.

From the local standpoint, the workshop seemed to hit the mark. On the workshop evaluations one participant wrote, " It [the workshop] showed several good points on how to protect and maintain the riparian area in a healthy manner."



RSP Cooperator Wins Environmental Award

Practicing environmental stewardship was the way that Dave Gerega's father taught him to farm. Now he's being recognized for his thoughtful approach towards the environment as the recipient of The Environmental Stewardship Award (TESA) from The Manitoba Cattle Producers Association (MCPA).

"Stewardship was part of this family's thoughts as I grew up," he said. "You tried to protect what you had around you."

Gerega operates Blue Diamond Agra, a mixed farming operation near Roblin that includes a cattle herd of around 700 head.

Among his many conservation initiatives, Gerega took advantage of the Riparian Stewardship Program to protect a wetland on his home quarter by managing cattle access with fencing and also to set up a rotational grazing system on the surrounding pasture. Pasture pipelines deliver clean drinking water that also help keep cattle out of wetlands and other water sources.

Success in this project is leading to others on the farm. A large creek and a river on his property are also scheduled for additional fencing to manage cattle access.

Gerega feels that it is important for producers to take the environment into consideration when making management decisions. "If one does not, the future stewards of the land will have to bear the brunt of undesirable practices," he said. "It is much easier to maintain an environment than to correct it."

Adapted from the Manitoba Cooperator

Riparian Management On Line

Landowners wanting to better manage their land have a new tool at their fingertips. A new feature on the Manitoba Riparian Health Council's website allows farmers to view aerial photographs of their land and also provides the tools to make management decisions.

The tools developed by Agriculture and Agri-Food Canada (PFRA) are found at **www.riparianhealth.ca**. The site includes access to digital aerial photographs that can be used as a base for adding other geographic information, like soil types, hydrology or land cover information. Most of Agro-Manitoba is in the database.

The software also includes drawing and area estimation tools as well as a fenceline calculator that allows producers to try out different fencing configurations on their land and calculate the associated pasture sizes and costs. There is also a stocking rate calculator.

"The Health Council's focus is land management along riparian zones so we've developed some tools that will help producers to manage these vital areas," said Jarrett Powers, a district soil conservationist with PFRA.

Adapted from an article in Crossroads

associated lands. The project has received input from a broad cross-section of landscape interests.

Communications activities helped to increase awareness of the RHI and its related activities. Details of those activities are discussed in the communications section.

Riparian Stewardship Program Activities

In 2004/05 a total of 27 riparian demonstration projects were completed, enhancing 38 miles of shoreline, 1,977 acres of riparian habitat and an additional 5,300 acres of adjacent uplands through improved grazing management or forage development. At year end an additional 74 projects were in various stages of development. Since the beginning of the Riparian Stewardship Program in July 1, 2001 a total of 135 projects have been completed, affecting 256 miles of shoreline, 5,490 acres of riparian habitat and 33,630 acres of adjacent uplands.

Most activity occurred under the grazing management option. Incentive funding helps landowners to establish fencing that manages livestock access to the riparian zone and improves grazing management on the whole pasture system. Many cooperators also add in off-site watering systems. The entire system produces more effective livestock grazing and watering while also adding to the health of riparian areas and adjacent waterways.

There is also a forage buffer strip establishment option that supports the establishment of permanent forage buffer strips on cultivated land along waterways. These forage areas can be harvested and are also sometimes used as part of a grazing management system.

The network of delivery personnel increased again in 2004/05. These personnel come from Manitoba Agriculture, Food and Rural Initiatives, PFRA, Kelsey Conservation District, Intermountain Conservation District and MHHC. This arrangement ensures that experienced field personnel are delivering projects in their local area.

This fiscal year represented the second year of the BSE crisis for the livestock industry. With producer incomes remaining well below average, it is not surprising that the number of projects completed was below numbers recorded prior to BSE. Interestingly, new project proposals continued to be received in 2004/05, demonstrating that, even in times of economic hardship, many producers still place a high priority on environmental stewardship. As well, a survey of producers with unfinished projects indicated that most still wish to see them through to fruition. MHHC has worked with its funders to provide as much time as possible.

Communications

Communications supporting issue awareness and program delivery continues to be a high priority activity for the RHI.

MHHC produced and distributed 13 news releases that were run in a minimum of 27 publication issues, primarily in the rural and agricultural media. RSP cooperators and project profiles continue to be emphasized, but releases have also covered new partnership agreements and new program options like *Managing the Water's Edge*.

In addition to a staffed riparian display at major agricultural and conservation organization events, MHHC and partner staff attended displays at many Beef Week events and other seminars that target livestock producers. A total of 23 presentations were also made to producer groups and potential partner groups to support of a number of program objectives. Six field tours of riparian projects were also conducted. Audiences for the tours, presentations and displays totaled 12,000 individuals.

Habitat Stewardship Program for Species at Risk

Canada's new Species at Risk initiative includes a fund to support stewardship projects for threatened and endangered wildlife and plant species. This is the fifth year that the Habitat Stewardship Program for Species at Risk (HSP) as been available for Manitoba habitat projects. MHHC directly delivers HSP conservation activities and administers HSP funds on behalf of other delivery organizations.

Introduction

The federal Habitat Stewardship Program (HSP) was created as the new Species at Risk Act was being developed. Involving Environment Canada, Parks Canada, and Fisheries and Oceans Canada, the HSP's objective is to support voluntary, stewardship-based approaches to protect habitat for species at risk. The emphasis is on activities that will conserve or enhance habitat for species identified as either being endangered, threatened or of special concern. Much of the effort in Manitoba is focused in the more developed regions, where habitat loss has been the most significant.

MHHC Projects

MHHC's role in HSP is focused on long-term protection of habitat types in Agro Manitoba required by species at risk. The primary activity is habitat conservation through perpetual conservation agreements (CAs) that are purchased from cooperating landowners. All HSP CA lands must be associated with species of concern identified by COSEWIC. Priority habitats have been established:

1) Native mixed-grass prairie, which is reduced to remnant stands in southwestern Manitoba and is important for declining native plants and grassland wildlife, including: buffalograss, smooth goosefoot, small white lady's-slipper, northern prairie skink, loggerhead shrike and Sprague's pipit.
2) Riparian habitats in the Assiniboine River basin, where the following aquatic species of concern have been identified: carmine shiner, bigmouth buffalo and silver chub.
3) Habitats for specific plant and animal species that have been identified as being at risk. Examples of such species include: western spiderwort, hairy prairie-clover, red-headed woodpecker and yellow rail.

In 2004/05 26 conservation agreements were completed on 6,789 acres of land under the HSP. Those included 15 CAs on 4,870 acres of mixed grass prairie, six CAs on 629 acres of riparian habitats and five CAs that were secured on 1,290 acres to protect species dependant on other habitats. At year-end, an additional four CAs, representing 317 acres, were in process. A total of 76 CAs, totaling 15,056 acres, have been completed since MHHC began working through the HSP. Since inception, the program has spent $1.114 million on CAs, funds that have gone directly to farmers and other rural landowners.

Other HSP Activities

MHHC assists other Manitoba partners, especially Manitoba Conservation, by managing HSP agreements and administering the employment contracts of 12 term and seasonal employees that are supervised by Manitoba Conservation staff. Projects that are being assisted include: mixed-grass prairie grazing project; mixed-grass prairie inventory; species at risk inventory; northern prairie skink inventory; parkland habitat partnership; piping plovers; and woodland caribou habitat stewardship.

Protecting Prairie a Priority for This Family

Patches of prairie along the Souris River in southwestern Manitoba are unique grasslands that haven't changed much since the first farmers arrived. Now, a large tract is being protected by a Coulter area family.

"It's always been pasture and it should be left that way," said the landowner, Allan Downey.

The Downey family permanently protected 500 acres of grassland through a conservation agreement (CA) with MHHC. They currently use this land as pasture, which they manage with a form of rotational grazing, and that will not change.

"With this CA the Downey family is ensuring the maintenance of grassland that hosts endangered plants such as buffalograss and endangered birds like Baird's sparrow. By managing the grassland, he is also enhancing the grassland," said Ian Milliken, MHHC field representative in Reston.

In trying to explain his motivation for protecting the land, Downey noted, "Too often we look at what is going to get us through the year instead of what will get us through in the future."

Funding for this CA was provided by Environment Canada's Habitat Stewardship Program for Species at Risk.

Adapted from an article in the Carberry News-Express

Manitoba Agro Woodlot Program

Since 1992 the Manitoba Agro Woodlot Program has been delivering private land forestry services to landowners interested in sustainable woodlot management as a means of diversifying farm income. The Program also delivers training and other services that help small-scale, local forestry contractors to enhance their skills and increase their understanding of their role in forest stewardship. The Woodlot Program supports market development by facilitating networking among landowners, forestry contractors and wood buyers. In 2004/05 the Woodlot Program underwent significant change in that funding and reporting is now under Manitoba Agriculture, Food and Rural Initiatives (MAFRI). MHHC has continued to provide banking and administrative services.

Program Overview

The Manitoba Agro Woodlot Program had its beginnings in 1992 with the Canada-Manitoba Partnership Agreement in Forestry. That federal/provincial agreement provided funding to MHHC and the Manitoba Forestry Association to provide private land woodlot management services in agricultural regions of the province. Since MHHC was delivering the North American Waterfowl Management Plan in southwestern Manitoba, its Woodlot Program focused on that region as well.

Over time the program evolved from landowner-focused tree-planting projects and woodlot management plan development to a more integrated initiative designed to support the developing "micro-forestry" industry in Agro Manitoba.

The Woodlot Program has reached 469 completed management plans on 48,658 acres of wooded lands. On the tree-planting side, close to 1,000 projects were supported and over 1.1 million trees were planted. While some of these projects included traditional row and block plantings, as well as community beautification projects, the Woodlot Program also supported many "Agro-Forestry" plantings, including alley cropping, silva-cycling and silva-pasture projects as well as specialized plantings around hog barns. Program staff also developed and delivered "bio-engineering" expertise, including specialized planting techniques for trees and shrubs to restore degraded river banks and lake shores.

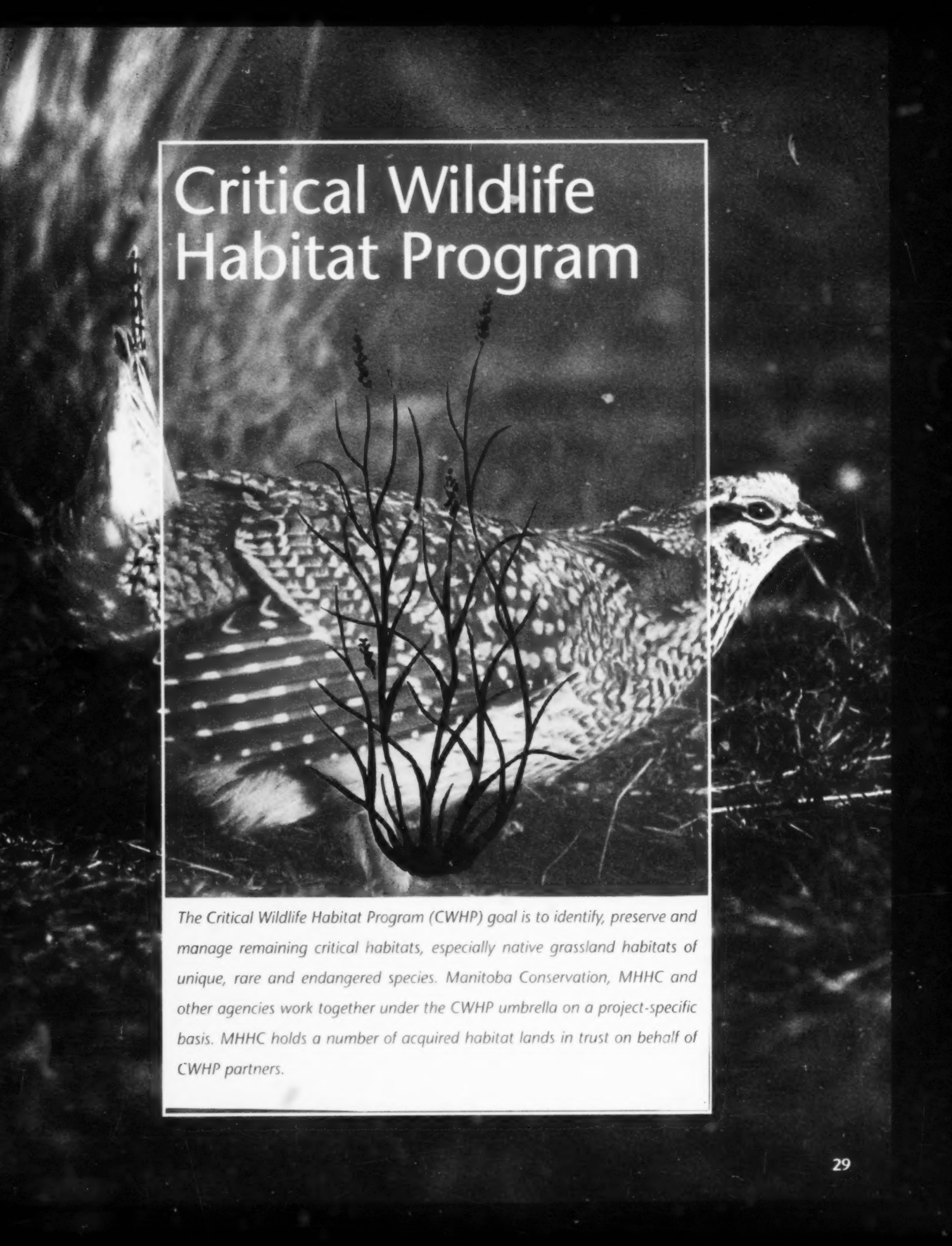
Over the last few years the program expanded to include development and delivery of skills-training seminars and workshops to support the emerging small-scale woodlot industry. Forest-based workshops have included safe chainsaw and felling techniques and low-impact harvesting procedures. A range of courses have been offered to mill operators, including mill maintenance, wood grading and milling strategies to maximize profit. A series of workshops also supported value-added processing, such as kiln-drying and marketing techniques. A total of 115 workshops were delivered to 2,100 participants since program inception.

Woodlot Program staff spent considerable effort working with other partners to develop a beneficial management practices manual for private woodlot owners and harvesters which will be available in the coming year.

Today, the Woodlot Program provides the knowledge and services needed to support a growing micro-forestry industry across Agro Manitoba. This program evolution has, in many respects, meshed with the amalgamation of the former Manitoba Departments of Agriculture and Rural Initiatives into a single department (MAFRI) which includes a broad mandate for rural economic development. Given that the micro-forestry industry is providing alternative income opportunities for farmers and other landowners in Agro Manitoba, the move of the Woodlot Program to MAFRI makes good sense. While "agriculture" and "forestry" may seem like different activities, in Agro Manitoba they can be carried out jointly from the same land base and by the same land owners and users. In fact, the Program, which always promoted trees as a "crop", is now part of MAFRI's Crops Branch. The strong environmental sustainability underpinnings that the program developed in MHHC will serve it well in its new Department.

The move of the Woodlot Program from management by MHHC to MAFRI was formalized as of November 1, 2004. The program is now being supported by the Canada-Manitoba Agri-Food Research and Development Initiative's Alternative Land Management Program in association with the Agricultural Policy Framework (APF).

Critical Wildlife Habitat Program



The Critical Wildlife Habitat Program (CWHP) goal is to identify, preserve and manage remaining critical habitats, especially native grassland habitats of unique, rare and endangered species. Manitoba Conservation, MHHC and other agencies work together under the CWHP umbrella on a project-specific basis. MHHC holds a number of acquired habitat lands in trust on behalf of CWHP partners.

Mixed Grass Prairie Projects

With over 75% of the original prairie converted to other uses since the beginning of European settlement, inventories and grazing management demonstration projects continued as priorities on remaining native prairie sites in the mixed-grass prairie region in southwestern Manitoba.

In 2004/05 mixed-grass prairie habitats in southwestern Manitoba continued to be monitored to assess the quality of the remaining prairie. A total of 19,960 acres of mixed-grass prairie habitats were inventoried. The total area inventoried now stands at 169,000 acres. This work is helping to target priority sites for future prairie conservation activities.

The ongoing Mixed-Grass Prairie Demonstration Project continued to highlight the benefits of "prairie-friendly" grazing systems for livestock producers and the grassland biodiversity. Activities included monitoring of livestock weight gains on test pastures, tours, and workshops. Cost-shared incentives were provided to eight landowners to set up the twice-over system on 5,702 acres of their own lands. A total of 22 demonstration projects, affecting 10,400 acres of native range, are now in operation.

Funding for both projects was provided by Manitoba Conservation and Environment Canada's Habitat Stewardship Program for Species at Risk (HSP).

Urban Habitat Stewardship Project

The Naturescape sub-committee of the Capital Region Habitat Steering Committee, comprised of representatives from Manitoba Conservation, Manitoba Naturalist's Society, the City of Winnipeg, Environment Canada and a local landscape architect, co-ordinated production of the Manitoba Naturescape document. The book includes an information package on native species and project ideas to assist the transformation of small plots, including backyards, into habitat.

Tall Grass Prairie Preserve

MHHC continued to be a part of the Tall Grass Prairie Preserve Management Committee along with Manitoba Conservation, Manitoba Naturalists Society, Environment Canada and Nature Conservancy of Canada. Activities at the Preserve were supported by Environment Canada HSP, Nature Conservancy of Canada, Manitoba Conservation and the Manitoba Naturalists Society. Monitoring of rare orchids, songbirds, permanent sample plots and management activities continued to be key field activities.

Annual Grazing Tour Still Popular

Almost a decade ago, when the mixed-grass grazing program partners were looking for ways to promote prairie-friendly grazing systems, rangeland field tours for producers seemed like a good idea. Back then, the best on-farm examples and expertise resided in North Dakota where the "twice-over" grazing system was producing impressive results for native grassland enhancement.

Undaunted, the first organizers rented a bus and scheduled a two-day event that not only demonstrated good grazing practices, but gracious and enthusiastic hosts south of the border.

From that first event, the twice-over grazing system field tour has become an annual event. The good news is that, as more twice-over systems are established in Manitoba, the tour can now be held on this side of the border.

According to Roy Bullion, MHHC's Shoal Lake field representative and an organizer of earlier grazing tours, producers appreciate the learning opportunity and become the tour's biggest promoters. "We have seen many friends and neighbours of tour participants in subsequent years." This event is often booked up well in advance.

The key to the success of the twice-over grazing tour is providing producers the opportunity to learn from experts and, most importantly, fellow producers. Reading about a grazing system from a fact sheet is one thing. Seeing it in action on a successful livestock enterprise is altogether different and, judging from the success of this annual event, it is of great benefit to livestock producers.

North American Waterfowl Management Plan

Agriculture and Agri-Food Canada (Prairie Farm Rehabilitation Administration)

Ducks Unlimited Canada

Environment Canada-Canadian Wildlife Service

Manitoba Agriculture, Food and Rural Initiatives

Manitoba Conservation

Manitoba Water Stewardship

Delta Waterfowl Foundation

Keystone Agricultural Producers

Manitoba Conservation Districts

Nature Conservancy of Canada

Manitoba Agro Woodlot Program

Manitoba Agriculture, Food and Rural Initiatives

Manitoba Conservation

Sustainable Development Innovations Fund

Agriculture and Agri Food Canada (PFRA)

Manitoba Conservation Districts

Local wildlife and farm conservation organizations

Woodlot Association of Manitoba

Manitoba Forestry Association

Manitoba Hydro

Riparian Health Initiative

The Manitoba Cattle Producers Association

Keystone Agricultural Producers

Manitoba Agriculture, Food and Rural Initiatives

Agriculture and Agri-Food Canada (Prairie Farm Rehabilitation Administration)

Manitoba Water Stewardship

Manitoba Conservation

Manitoba Conservation Districts Association

Manitoba Forage Council

Manitoba Department of Finance

Fisheries and Oceans Canada

Environment Canada

Ducks Unlimited Canada

Nature Conservancy of Canada

Critical Wildlife Habitat Program

Manitoba Conservation

Manitoba Naturalists Society

Nature Conservancy of Canada

Wildlife Habitat Canada

Environment Canada - Canadian Wildlife Service

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Production Notes:
The Manitoba Habitat Heritage Corporation's Annual Report is printed on recycled paper with 100% post-consumer fiber. The printing inks are vegetable oil-based.

Please recycle where facilities exist.

The Manitoba Habitat Heritage Corporation

Financial Statements 2004/2005

Responsibility for Financial Reporting

The Manitoba Habitat Heritage Corporation

The management of the Manitoba Habitat Heritage Corporation is responsible for the integrity, objectivity and reliability of the financial statements, accompanying notes and other financial information in the annual report.

Management maintains internal control systems to ensure that transactions are accurately recorded in accordance with established policies and procedures. In management's opinion, the financial statements have been properly prepared and of necessity, include some amounts based upon management's best estimate and judgments up to May 19, 2005.

The responsibility of the Auditor General and staff is to express an independent opinion on whether the financial statements are fairly presented in accordance with Canadian generally accepted accounting principles. The auditors' report outlines the scope of the auditors' examination and provides the audit opinion.

Chief Executive Officer

Manager of Financial Services

May 19, 2005

Office of the Auditor General

500 - 330 Portage Avenue
Winnipeg, Manitoba,
CANADA R3C 0C4

AUDITORS' REPORT

To the Legislative Assembly of Manitoba, and
To the Board of Directors of the Manitoba Habitat Heritage Corporation

We have audited the statement of financial position of The Manitoba Habitat Heritage Corporation as at March 31, 2005 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
May 19, 2005

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Financial Position
as at March 31, 2005
(with comparative figures for 2004)

	North American Waterfowl Management Plan	Riparian Stewardship Program	Capital Assets	Inter Plan/ Program Eliminations	2005	2004
ASSETS						
Current Assets						
Cash	$109,123	$39,184			$148,307	$118,178
Funds on deposit with Province of Manitoba (Note 3)	40,455	81,216	$305,857		427,528	232,555
Accounts receivable						
Government of Canada	158,287	95,500			253,787	125,616
Province of Manitoba	39	133	18,451		18,623	5,578
Delta Waterfowl Foundation	21,707				21,707	
Conservation Districts			10,000		10,000	
Other	3,269				3,269	110,576
Due from Riparian Stewardship Program	33,061			$(33,061)		
Prepaid expenses	21,678	337			22,015	42,745
	387,619	216,370	334,308	(33,061)	905,236	635,248
Capital Assets (Note 4)			4,460,410		4,460,410	3,288,758
Trust Assets (Note 10)					1,084,960	795,131
TOTAL ASSETS	$387,619	$216,370	$4,794,718	$(33,061)	$6,450,606	$4,719,137
LIABILITIES						
Current Liabilities						
Accounts payable and accrued liabilities	$79,308	$6,952	$71,260		$157,520	$202,379
Due to North American Waterfowl Management Plan		33,061		$(33,061)		
Capital lease obligation						771
	79,308	40,013	71,260	(33,061)	157,520	203,150
Deferred contributions related to operations (Note 5)		82,676			82,676	75,902
Deferred contributions related to capital assets (Note 6)			334,308		334,308	
FUND BALANCES						
Invested in Capital Assets			4,389,150		4,389,150	3,202,932
Unrestricted	308,311	93,681			401,992	442,022
Trust Liabilities (Note 10)					1,084,960	795,131
TOTAL LIABILITIES & FUND BALANCES	$387,619	$216,370	$4,794,718	$(33,061)	$6,450,606	$4,719,137

On behalf of the Board:

Director _____

Director _____

The accompanying notes are an integral part of these financial statements.

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Operations and Changes in Fund Balances
for the year ended March 31, 2005
(with comparative figures for 2004)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program (Note 1.b)	Riparian Stewardship Program	Capital Assets	Inter Plan/ Program Eliminations	2005	2004
REVENUE							
Government of Canada contributions	$313,862	$11,000	$161,363			$486,225	$411,523
Province of Manitoba contributions	645,000		25,500			670,500	866,807
Contributed services, Province of Manitoba	70,712	50,215	15,153			136,080	160,458
Donations	556		11,932			12,488	445
Interest income	631	1,024	2,205			3,860	8,957
Other	105,824	108	25,000			130,932	202,013
Management fees (Note 11)	163,539				$(110,639)	52,900	27,271
	1,300,124	62,347	241,153		(110,639)	1,492,985	1,677,474
EXPENSES							
Amortization of capital assets				$37,190		37,190	37,179
Interest on capital lease				39		39	229
Loss on disposal of capital assets				15,375		15,375	427
Service delivery – Schedule 1	1,142,065					1,142,065	1,183,519
– Schedule 2		178,753			(8,041)	170,712	340,247
– Schedule 3			266,906		(102,598)	164,308	190,037
	1,142,065	178,753	266,906	52,604	(110,639)	1,529,689	1,751,638
Excess (deficiency) of revenue over expenses	158,059	(116,406)	(25,753)	(52,604)		(36,704)	(74,164)
FUND BALANCES							
Fund balances, beginning of year	160,138	162,450	119,434	3,202,932		3,644,954	2,752,610
Investment in capital assets				872,240		872,240	810,508
Donated land				355,650		355,650	156,000
Interfund transfers	(9,886)	(1,046)		10,932			
Transfer of net assets of Manitoba Agro Woodlot Program		(44,998)				(44,998)	
Fund balances, end of year	$308,311		$93,681	$4,389,150		$4,791,142	$3,644,954

The accompanying notes are an integral part of these financial statements.

THE MANITOBA HABITAT HERITAGE CORPORATION

Statement of Cash Flows
for the year ended March 31, 2005
(with comparative figures for 2004)

	North American Waterfowl Management Plan	Manitoba Agro Woodlot Program (Note 1.b)	Riparian Stewardship Program	Capital Assets	Inter Plan/ Program Eliminations	2005	2004
OPERATING ACTIVITIES							
Excess (deficiency) of revenue over expenses	$158,059	$(116,406)	$(25,753)	$(52,604)		$(36,704)	$(74,164)
Amortization of capital assets				37,190		37,190	37,179
Net change in non-cash working capital	(21,526)	(10,304)	(11,885)			(43,715)	22,853
Loss on disposal of capital assets				15,375		15,375	427
Increase in deferred contributions related to operating activities			6,774			6,774	(84,159)
Net cash used in operating activities	136,533	(126,710)	(30,864)	(39)		(21,080)	(97,864)
FINANCING AND INVESTING ACTIVITIES							
Purchase of capital assets				(10,556)		(10,556)	(20,151)
Net change in accounts receivable for acquisition of land rights				(28,451)		(28,451)	
Received restricted grants for purchase of land rights				872,240		872,240	647,286
Acquisition of land rights with restricted grants				(858,445)		(858,445)	(895,563)
Net change in accounts payable for acquisition of land rights				(13,795)		(13,795)	85,055
Increase in deferred contributions related to capital assets				334,308		334,308	
Received donation of land and land rights				355,650		355,650	156,000
Acquisition of donated land and land rights				(355,650)		(355,650)	(156,000)
Capital lease obligation				(337)		(337)	(897)
Cash transferred to Trust Assets		(48,782)				(48,782)	
Net cash used in financing and investing activities		(48,782)		294,964		246,182	(184,270)
Net increase (decrease) in cash	136,533	(175,492)	(30,864)	294,925		225,102	(282,134)
Cash and cash equivalents, beginning of year	22,931	176,538	151,264			350,733	632,867
Interfund transfers	(9,886)	(1,046)		10,932			
Cash and cash equivalents, end of year	$149,578		$120,400	$305,857		$575,835	$350,733
Cash and cash equivalents consist of :							
Cash	$109,123		$39,184			$148,307	$118,178
Funds on deposit with Province of Manitoba	40,455		81,216	$305,857		427,528	232,555
	$149,578		$120,400	$305,857		$575,835	$350,733

The accompanying notes are an integral part of these financial statements.

THE MANITOBA HABITAT HERITAGE CORPORATION

Notes to Financial Statements
March 31, 2005

1. Nature of Organization

The Manitoba Habitat Heritage Corporation (MHHC) was established in 1986 as a Crown Corporation under *The Manitoba Habitat Heritage Act*. The objectives of the Corporation are the conservation, restoration and enhancement of Manitoba fish and wildlife habitat and the associated fish and wildlife populations. Donations to the Corporation are tax deductible by the donor pursuant to *The Income Tax Act*, as gifts to Her Majesty. The Corporation is involved in the following initiatives:

a) The North American Waterfowl Management Plan (NAWMP)

Under Order-in-Council 634/89, the Corporation is authorized to be the Provincial agency responsible for coordinating the delivery of the North American Waterfowl Management Plan in Manitoba.

b) The Manitoba Agro Woodlot Program (MAWP)

On May 7, 1992, the Corporation signed a memorandum of agreement with the Manitoba Department of Natural Resources to deliver the Manitoba Agro Woodlot Program in southwestern Manitoba. As of November 1, 2004 the Corporation was no longer responsible for the delivery of this program. Manitoba Agriculture, Food and Rural Initiatives became responsible for the delivery of MAWP at that time.

The program's financial information up to and including October 31, 2004 is presented in the Corporation's financial statements. All financial transactions on and after November 1, 2004 are accounted for as Trust Assets/Liabilities.

A management fee is charged by the Corporation for services provided by NAWMP to this program.

c) The Riparian Stewardship Program (RSP)

In January, 1994, the Board of Directors of the Corporation directed staff to develop a strategy to deal with protection, restoration and enhancement of riparian habitat in agro-Manitoba. In fiscal year 2002/03, the name of the program was changed from Green Banks to the Riparian Stewardship Program to describe more accurately the program's objectives.

A management fee is charged by the Corporation for services provided by NAWMP to this program.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The significant accounting policies are:

a) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted contributions relating to land and land use rights, which are not amortized, are accounted for as increases in the Capital Assets Fund balance when the capital asset is purchased. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Management fees are recognized as revenue in the year the service is provided.

b) Capital Assets

The Capital Assets Fund reports the Corporation's capital assets and related amortization expense.

Purchased capital assets are recorded at cost and donated capital assets are recorded at fair market value at the date the asset is donated.

Amortization of capital assets is recorded on a straight-line basis over the estimated useful lives of the capital assets at the rates indicated below.

Computer hardware	–	20%
Computer software	–	33%
Equipment	–	10%
Furniture and fixtures	–	10%

c) Contributed Services

Services are contributed by the Wildlife and Ecosystem Protection and Forestry Branches of Manitoba Conservation. Contributed services are recorded at cost, which is fair value.

d) Financial Instruments

The carrying amounts of current assets and liabilities are reasonable estimates of their fair value because of the short-term maturity of these instruments.

2. Significant Accounting Policies (continued)

e) Use of Estimates

In preparing the Corporation's financial statements, management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

3. Funds on Deposit with Province of Manitoba

Funds on deposit with the Province of Manitoba will mature between April 5, 2005 and June 14, 2005. Yields range from 2.35% to 2.4%.

4. Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2005	2004
Land and land use rights	$4,383,581		$4,383,581	$3,169,486
Computer hardware	155,092	$120,542	34,550	55,571
Computer software	38,675	33,303	5,372	12,371
Equipment	79,505	50,178	29,327	40,939
Furniture and fixtures	52,128	44,548	7,580	10,391
Total capital assets	$4,708,981	$248,571	$4,460,410	$3,288,758

Purchases of capital assets in the period are as follows:

	2005	2004
Land and land use rights	$1,214,095	$1,051,563
Computer hardware	6,297	13,122
Computer software	2,582	5,325
Equipment	670	825
Furniture and fixtures	1,008	878
	$1,224,652	$1,071,713

The sources of funding for land and land use rights are as follows:

	2005	2004
Environment Canada	$322,500	$471,478
Delta Waterfowl Foundation	495,945	424,085
Canadian Natural Resources Ltd.	40,000	
Donations	355,650	156,000
	$1,214,095	$1,051,563

5. Deferred Contributions Related to Operations

Deferred contributions reported in the respective funds relate to restricted funding received in the current period that is related to expenses of future periods.

Changes in the deferred contributions balance reported in the respective funds are as follows:

	NAWMP	RSP	2005 Total	2004 Total
Balance, beginning of year		$75,902	$75,902	$160,061
Less: amounts recognized as revenue in the year		(62,638)	(62,638)	(160,061)
Add: amounts received related to future periods		69,412	69,412	75,902
Balance, end of year		$82,676	$82,676	$75,902

Riparian Stewardship Program

The balance of $82,676 is restricted to signed landowner agreements to cover fencing costs and staff time to complete the projects.

6. Deferred Contributions Related to Capital Assets

Deferred contributions reported in the Capital Assets Fund represent restricted contributions received with which land and land use rights will be purchased. When the land and land use rights are purchased the related restricted contributions will be transferred from deferred contributions related to capital assets to the Capital Assets Fund balance.

Changes in the deferred contributions balance in the Capital Assets Fund are as follows:

	2005	2004
Balance, beginning of year		$163,222
Add: Contributions received	$331,289	647,286
Add: Interest Earned	3,019	
Less: Amounts transferred to fund balance		(810,508)
Balance, end of year	$334,308	

The balance of $334,308 is restricted to signed conservation agreements (land use rights) with landowners, wetland restoration projects, and staff time to complete the projects.

The contributions received in 2005 were $321,289 from the Province of Manitoba and $10,000 from the Turtle Mountain Conservation District. The contributions received in 2004 were $308,256 from Environment Canada and $339,030 from the Delta Waterfowl Foundation.

7. Operational Commitments

a) The Corporation leases land for wildlife habitat under NAWMP. Each lease is subject to the condition that sufficient funds are provided by the Province of Manitoba. The minimum annual lease payments for the next two years are as follows:

2006	$5,596
2007	$1,267

b) The Corporation leases space under existing leases for four NAWMP offices. The minimum annual lease payments for the next two years are as follows:

2006	$71,668
2007	$10,980

c) The Corporation leases vehicles and office equipment under NAWMP. The minimum annual lease payments for the next two years are as follows:

2006	$4,160
2007	$2,350

d) At March 31, 2005 the Riparian Stewardship Program included several projects in progress. Remaining commitments under these signed agreements total approximately $87,500 to be paid in the 2006 fiscal year.

8. Capital Commitments

At March 31, 2005, the NAWMP had signed several commitments to purchase Conservation Agreements. These Conservation Agreements are to be paid out upon filing of the caveats associated with each Conservation Agreement in the 2006 fiscal year. These commitments totaled approximately $159,610.

9. Group RRSP Employee Benefits

Under the terms of the Corporation's RRSP program, employee contributions to RRSP's are matched by the Corporation on a current basis. As a result, the Corporation has no future pension benefit liability to employees. The amounts paid by the Corporation in 2005 were $19,960 (2004 - $19,478).

Notes to Financial Statements
March 31, 2005

10. Trust Assets and Liabilities

The Corporation holds assets in trust as follows:

	2005	2004
Cash and short term investments	$491,680	$201,851
Land	593,280	593,280
	$1,084,960	$795,131

Details relating to the parties involved and the assets held are included in notes (a) to (e) which follow.

a) The Critical Wildlife Habitat Program (CWHP)

The Corporation provides support to the Wildlife and Ecosystem Protection Branch of Manitoba Conservation for the CWHP.

The Corporation holds title, in trust, to a portfolio of land and provides banking and financial services for CWHP funds held in trust. A management fee is allowed, under the agreement, to be charged by the Corporation to the CWHP for these services. Disbursements, from the funds held in trust, are made at the direction of the Wildlife and Ecosystem Protection Branch.

Trust assets held by MHHC on behalf of this program include:

	2005	2004
Cash and short term investments	$123,430	$104,010
Land Portfolio	593,280	593,280
	$716,710	$697,290

10. Trust Assets and Liabilities (continued)

b) The Manitoba Agro Woodlot Program (MAWP)

On November 1, 2004 the Corporation began providing support to Manitoba Agriculture, Food and Rural Initiatives for the MAWP.

The Corporation provides banking and financial services for MAWP funds held in trust. A management fee is allowed, under the agreement, to be charged by the Corporation to the MAWP for these services. Disbursements, from the funds held in trust, are made at the direction of Manitoba Agriculture, Food and Rural Initiatives.

Trust assets held by MHHC on behalf of this program include:

	2005	2004
Cash and short term investments	$142,379	Nil

c) Manitoba Forestry/Wildlife Management Project (MFWMP)

The Corporation provides support to the Wildlife and Ecosystem Protection Branch of Manitoba Conservation for the MFWMP.

The Corporation provides banking and financial services for MFWMP funds held in trust. A management fee is allowed, under the agreement, to be charged by the Corporation to the MFWMP for these services. Disbursements, from the funds held in trust, are made at the direction of the Wildlife and Ecosystem Protection Branch.

Trust assets held by MHHC on behalf of this program include:

	2005	2004
Cash and short term investments	$11,896	$11,728

10. Trust Assets and Liabilities (continued)

d) Prairie Habitat Joint Venture Advisory Board (PHJV)

On May 12, 1990 Manitoba officially joined the PHJV Advisory Board. The PHJV Board's purpose is to oversee implementation of the NAWMP through a joint venture among participating agencies within the prairie provinces. PHJV agreed that the partner agencies would contribute to the costs of a Policy Committee with MHHC holding the funds in trust.

Trust assets held by MHHC on behalf of this program include:

	2005	2004
Cash and short term investments	$94,463	$61,192

e) Oak Hammock Marsh Wildlife Management Area (OHM-WMA)

On October 2, 2003 the Province of Manitoba and Ducks Unlimited Canada signed a three year infrastructure agreement. Both parties agreed to contribute to the costs of restorations to the OHM-WMA with MHHC holding the funds in trust.

Trust assets held by MHHC on behalf of this program include:

	2005	2004
Cash and short term investments	$119,512	$24,921

11. Management Fees

The Corporation charges for services provided by NAWMP to other programs as follows:

	2005	2004
MAWP	$23,941	$14,981
RSP	102,598	113,990
CWHP	37,000	27,271
	$163,539	$156,242

Notes to Financial Statements
March 31, 2005

12. Economic Dependence

MHHC is economically dependent on the Province of Manitoba to provide the majority of its operational funding.

13. Disclosure Required by the Public Sector Compensation Disclosure Act

Remuneration paid to Board members during the year, in aggregate, totaled $4,700 (2004 - $5,200). Two contract employees were paid the following amounts in the fiscal year:

	2005	2004
T. Sopuck, Manager of Operations	$68,359	$68,898
K. Tennyckc, Habitat Field Manager	62,419	60,339

THE MANITOBA HABITAT HERITAGE CORPORATION
NORTH AMERICAN WATERFOWL MANAGEMENT PLAN

Schedule 1

Schedule of Expenses for the year ended March 31, 2005 (with comparative figures for 2004)

	2005	2004
EXPENSES		
Habitat activities		
Salaries and benefits	$373,408	$385,384
Field office operations	68,924	68,006
Staff support	64,665	83,727
Nest baskets	32,295	35,654
Land leases	11,304	11,852
Habitat development	5,918	5,563
Property taxes	14,830	16,565
	571,344	606,751
Evaluation	51,303	61,286
Communications		
Salaries and benefits	80,770	85,323
Program delivery	28,214	31,357
	108,984	116,680
Program coordination		
Salaries and benefits	233,008	224,045
Rent	48,524	46,861
Office	52,584	50,403
Other	38,813	38,269
Professional fees	15,623	16,410
Board meetings and remuneration	8,476	5,531
Travel	13,406	17,283
	410,434	398,802
TOTAL EXPENSES	**$1,142,065**	**$1,183,519**

THE MANITOBA HABITAT HERITAGE CORPORATION
MANITOBA AGRO WOODLOT PROGRAM

Schedule 2

Schedule of Expenses for the seven months ended October 31, 2004 (with comparative figures for March 31, 2004)

	2005	2004
	Apr. 1, 2004 to Oct. 31, 2004	Apr. 1, 2003 to Mar. 31, 2004
EXPENSES		
Habitat activities		
Salaries and benefits	$117,260	$216,334
Incentives	839	4,632
Special projects		465
Travel	28,162	49,687
Office	7,628	15,014
Management fees	8,041	13,473
Rent	3,436	6,937
Other	11,803	15,681
Professional fees	764	1,766
Training workshops	623	21,413
Manitoba Forestry Association		2,505
	178,556	347,907
Communications		
Management fees		1,508
Program delivery	197	5,813
	197	7,321
TOTAL EXPENSES	**$178,753**	**$355,228**

THE MANITOBA HABITAT HERITAGE CORPORATION
RIPARIAN STEWARDSHIP PROGRAM

Schedule 3

Schedule of Expenses for the year ended March 31, 2005 (with comparative figures for 2004)

	2005	2004
EXPENSES		
Riparian Coordination	$88,382	$77,201
Management fees (Note 11)	102,598	113,990
Managed grazing systems	62,638	104,926
Other	13,288	7,910
TOTAL EXPENSES	**$266,906**	**$304,027**